



**OFFICIAL STATEMENT OF
THE AMERICAN LEGION**

BEFORE THE

**COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
ON**

**DEPARTMENT OF VETERANS AFFAIRS FISCAL YEARS
2015/2016
BUDGET REQUEST**

MARCH 13TH 2014

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Chairman Miller, Ranking Member Michaud, and Members of the Committee:

On behalf of National Commander Dan Dellinger and the 2.4 million members of The American Legion, we welcome this opportunity to comment on the federal budget and specific funding programs of the Department of Veterans Affairs.

The American Legion is a resolution based organization; we are directed and driven by the millions of active legionnaires who have dedicated their money, time, and resources to the continued service of veterans and their families. Our positions are guided by nearly 100 years of consistent advocacy and resolutions that originate at the grassroots level of the organization – the local American Legion posts and veterans in every congressional district of America. The Headquarters staff of the Legion works daily on behalf of veterans, military personnel and our communities through roughly 20 national programs, and hundreds of outreach programs led by our posts across the country.

As thousands of troops return from deployments to Afghanistan and elsewhere in the world, and the United States shifts its policies in Iraq and Afghanistan, thus producing a new national security focus, The American Legion reminds the Committee that national security changes do not change the fact that veterans of these wars, as well as prior conflicts, must still be taken care of, and this care will extend for these veterans and their caregivers for approximately the next sixty years.

In September of last year National Commander Dellinger provided the Committee The American Legion's guidance for a robust Department of Veterans Affairs (VA) budget that adequately provides for the health care and benefits for veterans of all wars during this period of difficult fiscal times. The VA will continue to be faced with thousands of new patients and claimants even though the wars are winding down, and if the Department of Defense carries through in their plan to reduce the active and reserve forces by more than a hundred thousand troops, then the VA will need to prepare for one of the most significant increases in patients and claimants in its 84 year history. Active and reserve members who otherwise downplayed illnesses and injuries incurred or aggravated on active duty will now begin to seek treatment and file compensation claims in droves. Further, as the VA begins to serve veterans returning from deployment who are entitled to 5 years of VA care after they return, compounded by veterans who will choose VA care over Affordable Care Act plans, our VA system and infrastructure will be challenged much more than it has been for the past 10 years.

While grateful for prior VA funding, The American Legion remains vigilant to ensure that VA is not going to be shortchanged of the funding it truly needs, because lack of appropriate funding will ultimately endanger veteran care and benefits. The American Legion has, for years, reminded Congress and the American people that the cost of war, especially prolonged war, is more expensive than just the cost of bullets and bombs; and that the true costs are only realized decades after the war is over. Last year the Harvard Kennedy School issued a report that projected the total cost of these current conflicts to cost between \$4 and \$6 trillion. The report goes on to say;

“The single largest accrued liability of the wars in Iraq and Afghanistan is the cost of providing medical care and disability benefits to war veterans. Historically, the bill for these costs has come due many decades later. The peak year for paying disability compensation to World War I veterans was in 1969 – more than 50 years after Armistice. The largest expenditures for World War II veterans were in the late 1980s. Payments to Vietnam and first Gulf War veterans are still climbing. The magnitude of future expenditures will be even higher for the current conflicts¹”

Ensure Adequate Oversight and Sufficient Funding for Lifetime Joint Medical Records

The Department of Defense (DOD) and VA have already squandered more than a billion dollars of taxpayer money and have wasted years in an ultimately empty pursuit of a joint electronic medical record system that would have streamlined and simplified logistics between the two agencies. The war fighter turned veteran is the same patient, and deserves a system that honors that person with continuous care and seamless transition between agencies. It is unforgivable that DOD and VA have spent the past several years infighting rather than actively developing a comprehensive solution that is in the best interest of the American service member.

At the end of January VA and DOD both issued Requests for Proposals (RFPs) – however the problem remains that they issued these RFPs independently. It will be extremely difficult, if not impossible, for two separate agencies to issue two separate RFPs for similar projects, and end up with a single software solution unless they hire the same vendor. If DOD and VA aren’t forced to ensure that their respective vendors work together from the beginning, then Congress needs to withhold authorization of further disbursements until they can prove that their respective plans are in tandem and complement each other, ultimately resulting in a single electronic medical records keeping system that can be readily accessed by both VA and DOD without the need for any additional software or compatibility efforts. In February DOD and VA were supposed to deliver a joint plan to Congress on how they were going to execute this program. So far, their plan is incomplete and does not satisfy the full requirements of how they plan to jointly accomplish getting this system implemented. These need to be the same system that can integrate with both agencies – no substitutions, no excuses.

¹ Bilmes, Linda J. Harvard Kennedy School. The Financial Legacy of Iraq and Afghanistan: How Wartime Spending Decisions Will Constrain Future National Security Budgets Faculty Research Working Paper Series. March 2013

VA Leased Facilities in Jeopardy

In FY 2012 H.R. 2646 authorized the VA sufficient appropriations to continue to fund and operate leased facility projects that support our veterans all across the country. In November of 2012 the FY 2013 appropriations for the same facilities were eliminated from appropriations due to a “scoring change” initiated by the Congressional Budget Office (CBO). While the locations, projects, leases, and funding requirements did not change, the way in which CBO scored the projects did, which resulted in the appearance that the project would cost more than 10 times the actual needed revenue. As a result of CBO’s adjustment in scoring review, Congress refused to introduce the FY 2013 appropriations bill needed to keep these community based centers open. As these leases now become due, there are 27 major medical facilities that need to be authorized.

The American Legion implores Congress to fund these centers as originally planned and applauds Chairman Miller and this Committee for passing the Department of Veterans Affairs Major Medical Facility Lease Authorization Act of 2013.

Advance Appropriations for FY 2016

The Veterans Health Administration (VHA) manages the largest integrated health-care system in the United States, with 152 medical centers, nearly 1,400 community-based outpatient clinics, community living centers, Vet Centers and domiciliaries serving more than 8 million veterans every year. The American Legion believes those veterans should receive the best care possible.

The needs of veterans continue to evolve, and VHA must ensure it is evolving to meet them. The rural veteran population is growing, and options such as telehealth medicine and clinical care must expand to better serve that population. Growing numbers of female veterans mean that a system that primarily provided for male enrollees must now evolve and adapt to meet the needs of male and female veterans, regardless whether they live in urban or rural areas.

An integrated response to mental health care is necessary, as the rising rates of suicide and severe post-traumatic stress disorder are greatly impacting veterans and active-duty servicemembers alike.

If veterans are going to receive the best possible care from VA, the system needs to continue to adapt to the changing demands of the population it serves. The concerns of rural veterans can be addressed through multiple measures, including expansion of the existing infrastructure through CBOCs and other innovative solutions, improvements in telehealth and telemedicine, improved staffing and enhancements to the travel system.

Patient concerns and quality of care can be improved by better attention to VA strategic planning, concise and clear directives from VHA, improved hiring practices and retention, and better tracking of quality by VA on a national level.

And finally, mandatory funds must be included in Advanced Appropriations along with full discretionary funding of all VA accounts. Veterans and dependents having their compensation and disability checks delayed because Congress refuses to pass an annual budget before being forced to close the federal government is reprehensible. Pass full advanced appropriations now.

Better Care for Female Veterans

A 2011 American Legion study revealed several areas of concern about VA health-care services for women. Today, VA still struggles to fulfill this need, even though women are the fastest-growing segment of the veteran population. Approximately 1.8 million female veterans make up 8 percent of the total veteran population, yet only 6 percent use VA services.

VA needs to be prepared for a significant increase of younger female veterans as those who served in the War on Terror separate from active service. Approximately 58 percent of women returning from Iraq and Afghanistan are ages 20 to 29, and they require gender-specific expertise and care. Studies suggest post-traumatic stress disorder is especially prevalent among women; among veterans who used VA in 2009, 10.2 percent of women and 7.8 percent of men were diagnosed with PTSD.

The number of female veterans enrolled in the VA system is expected to expand by more than 33 percent in the next three years. Currently, 44 percent of Iraq and Afghanistan female veterans have enrolled in the VA health-care system.

VA needs to develop a comprehensive health-care program for female veterans that extend beyond reproductive issues. Provider education needs improvement. Furthermore, as female veterans are the sole caregivers in some families, services and benefits designed to promote independent living for combat-injured veterans must be evaluated, and needs such as child care must be factored into the equation. Additionally, many female veterans cannot make appointments due to the lack of child-care options at VA medical centers. Since the 2011 survey, The American Legion has continued to advocate for improved delivery of timely, quality health care for women using VA. The American Legion is encouraged that the President's budget recognizes the need for additional funding in this critical area, and has proposed an increase of \$32 million almost 9 percent over last year's authorization levels, which combined with years 2009 through 2014 represents an increase in funding of nearly 240 percent to deal with this growing segment of the veteran population.

Repair Problems in Mental Health

During the past half decade, VA has nearly doubled their mental health care staff, jumping from just over 13,500 providers in 2005 to over 20,000 providers in 2011. However, during that time there has been a massive influx of veterans into the system, with a growing need for psychiatric services. With over 1.5 million veterans separating from service in the past decade, 690,844

have not utilized VA for treatment or evaluation. The American Legion is deeply concerned about nearly 700,000 veterans who are slipping through the cracks unable to access the health care system they have earned through their service.

Post-traumatic stress disorder and traumatic brain injury are the signature wounds of today's wars. Both conditions are increasing in number, particularly among those who have served in Operation Iraqi Freedom and Operation Enduring Freedom. The President's request for a 57 percent increase in funding in this area is appropriate considering that a 2011 Senate Committee on Veterans' Affairs survey of 319 VA mental health staff revealed that services for veterans coping with mental health issues and TBI are lacking considerable support. Among the findings:

- New mental health patient appointments could be scheduled within 14 days, according to 63 percent of respondents, but only 48.1 percent believed veterans referred for specialty appointments for PTSD or substance abuse would be seen within 14 days.
- Seventy percent of providers said their sites had shortages of mental health space.
- Forty-six percent reported that a lack of off-hours appointments was a barrier to care.
- More than 26 percent reported that demand for Compensation and Pension (C&P) exams pulled clinicians away from direct care.
- Just over 50 percent reported that growth in patient numbers contributed to mental health staff shortages.

VHA and, at the request of Congress, VA's Office of the Inspector General have studied the problem since the survey was conducted. On April 23, 2012, the VAOIG released the report, "Review of Veterans' Access to Mental Health Care." It found that VHA's mental health performance data was neither accurate nor reliable. In VA's FY 2011 Performance and Accountability Report, VHA grossly over-reported that 95 percent of first-time patients received a full mental health evaluation within 14 days. However, it was found that VHA completed approximately 64 percent of new-patient appointments for treatment within 14 days of their desired date, but approximately 36 percent of appointments exceeded 14 days. VHA schedulers also were not following procedures outlined in VHA directives, and were scheduling clinic appointments on the system's availability rather than the patient's clinical need.

The American Legion believes VA must focus on head injuries and mental health without sacrificing awareness and concern for other conditions afflicting servicemembers and veterans. As an immediate priority, VA must ensure staffing levels are adequate to meet the need. The American Legion also urges Congress to invest in research, screening, diagnosis and treatment for PTSD and TBI and will continue to monitor VA to ensure that they remain good stewards of the people's money

Although The American Legion supports advance appropriations, we remain concerned accurate projections on population and utilization and other challenges still remain.

One such challenge is with the procurement of medical equipment and Information Technology (IT) purchases. When IT within the VA was combined together across the entire agency it was implemented to improve efficiency, contracting, management, and other challenges inherent with three disjointed IT management teams. This has proved somewhat successful. However, we are

hearing that procurement of medical equipment and IT is hampered at medical facilities due to budget implementation failures through continuing resolutions. While a VA medical center director might have his/her operational funding beginning October 1 because of advance appropriations, much needed IT or medical equipment might be delayed due to a continuing resolution impasse in Congress. This has a detrimental impact on the veteran and his/her care. Therefore, The American Legion recommends the IT portion of the budget be added to advance appropriations and help smooth those budget challenges. Additionally, The American Legion remains committed to working with the VA in any way possible to move the VA toward their goal of becoming a paperless system. We are eager to see how the VA plans to spend the \$155 million improving the Veterans Benefits Management System, and the \$136.4 million that is proposed to convert the paper to electronic files.

Medical Services

Over the past two decades, VA has dramatically transformed its medical care delivery system. Through The American Legion visits to a variety of medical facilities throughout the nation during our System Worth Saving Task Force, we see firsthand this transformation and its impact on veterans in every corner of the nation.

While the quality of care remains exemplary, veteran health care will be inadequate if access is hampered. Today there are over 23 million veterans in the United States. While 8.3 million of these veterans are enrolled in the VA health care system, a population that has been relatively steady in the past decade, the costs associated with caring for these veterans has escalated dramatically.

For example between FYs 2007 and 2010, VA enrollees increased from 7.8 million to 8.3 million². During the same period, inpatient admissions increased from 589 thousand to 662 thousand. Outpatient visits also increased from 62 to 80.2 billion. Correspondingly, cost to care for these veterans increased from \$29.0 billion to \$39.4 billion. This 36 percent increase during those two years is a trend that dramatically impacts the ability to care for these veterans.

While FY 2010 numbers seemingly leveled off – to only 3 percent annual growth – will adequate funding exist to meet veteran care needs? If adequate funding to meet these needs isn't appropriated, VA will be forced to either not meet patient needs or shift money from other accounts to meet the need.

Even with the opportunity for veterans from OIF/OEF to have up to 5 years of care following their active duty period, we have not seen a dramatic change in overall enrollee population. Yet The American Legion remains concerned that the population estimates are dated and not reflective of the costs. If current economic woes and high unemployment rates for veterans remain and with the Vietnam Era veterans beginning to retire and needing healthcare that may no longer be provided by their employers, VA medical care will become enticing for a veteran population that might not have utilized those services in the past.

² Source: Department of Veterans Affairs, Veterans Health Administration, Office of the Assistant Deputy Under Secretary for Health for Policy and Planning. Prepared by the National Center for Veterans Analysis and Statistics

Finally, ongoing implementation of programs such as the PL 111-163 “Caregiver Act” will continue to increase demands on the VA health care system and therefore result in an increased need for a budget that can adequately deal with the challenges.

In order to meet the increased levels of demand, even assuming that not all eligible veterans will elect to enroll for coverage, and keep pace with the cost trend identified above, there must be an increase to account for both the influx of new patients and increased costs of care.

Medical Support and Compliance

The Medical Support and Compliance account consists of expenses associated with administration, oversight, and support for the operation of hospitals, clinics, nursing homes, and domiciliaries. Although few of these activities are directly related to the personal care of veterans, they are essential for quality, budget management, and safety. Without adequate funding in these accounts, facilities will be unable to meet collection goals, patient safety, and quality of care guidelines.

The American Legion has been critical of programs funded by this account. We remain concerned patient safety is addressed at every level. We are skeptical if patient billing is performed efficiently and accurately. Moreover, we are concerned that specialty advisors/counselors to implement OIF/OEF outreach, “Caregiver Act” implementation, and other programs are properly allocated. If no need for such individuals exists, should the position be placed within a facility? Simply throwing more money at this account, increasing staff and systems won’t resolve all these problems.

During the previous budget, this account grew by nearly 8 percent to \$5.31 billion. The American Legion questions the necessity for that rate to continue at this time.

Medical Facilities

During FY 2012, VA unveiled the Strategic Capital Investment Planning (SCIP) program. This ten-year capital construction plan was designed to address VA’s most critical infrastructure needs. Through the plan, VA estimated the ten-year costs for major and minor construction projects and non-recurring maintenance would total between \$53 and \$65 billion over ten years.

The American Legion is supportive of the SCIP program which empowers facility managers and users to evaluate needs based on patient safety, utilization, and other factors. While it places the onus on these individuals to justify the need, these needs are more reflective of the actuality as observed by our members and during our visits. Yet, VA has taken this process and effectively neutered it through budget limitations thereby underfunding the accounts and delaying delivery of critical infrastructure.

So while failing to meet these needs, facility managers will be forced to make do with existing aging facilities. While seemingly saving money in construction costs, the VA will be expending

money maintaining deteriorating facilities, paying increased utility and operational costs, and performing piecemeal renovation of properties to remain below the threshold of major or minor projects.

This is an inefficient byproduct of budgeting priorities. Yet, as will be noted later, the reality remains that the SCIP program is unlikely to be funded at levels necessary to accomplish the ten year plan. Therefore, this account must be increased to meet the short term needs within the existing facilities.

Medical and Prosthetic Research

The American Legion believes VA research must focus on improving treatment for medical conditions unique to veterans. Because of the unique structure of VA's electronic medical records (VISTA), VA research has access to a great amount of longitudinal data incomparable to research outside the VA system. Because of the ongoing wars of the past decade, several areas have emerged as "signature wounds" of the Global War on Terror, specifically Traumatic Brain Injury (TBI), Posttraumatic Stress Disorder (PTSD) and dealing with the effects of amputated limbs.

Much media attention has focused on TBI from blast injuries common to Improvised Explosive Devices (IEDs) and PTSD. As a result, VA has devoted extensive research efforts to improving the understanding and treatment of these disorders. Amputee medicine has received less scrutiny, but is no less a critical area of concern. Because of improvements in body armor and battlefield medicine, catastrophic injuries that in previous wars would have resulted in loss of life have led to substantial increases in the numbers of veterans who are coping with loss of limbs.

As far back as 2004, statistics were emerging which indicated amputation rates for US troops were as much as twice that from previous wars. By January of 2007, news reports circulated noting the 500th amputee of the Iraq War. The Department of Defense response involved the creation of Traumatic Extremity Injury and Amputation Centers of Excellence, and sites such as Walter Reed have made landmark strides in providing the most cutting edge treatment and technology to help injured service members deal with these catastrophic injuries.

However, The American Legion remains concerned that once these veterans transition away from active duty status to become veteran members of the communities, there is a drop off in the level of access to these cutting edge advancements. Ongoing care for the balance of their lives is delivered through the VA Health Care system, and not through these concentrated active duty centers.

Many reports indicate the state of the art technology available at DOD sites is not available from the average VA Medical Center. With so much focus on "seamless transition" from active duty to civilian life for veterans, this is one critical area where VA cannot afford to lag beyond the advancements reaching service members at DOD sites. If a veteran can receive a state of the art artificial limb at the new Walter Reed National Military Medical Center (WRNMC) they should

be able to receive the exact same treatment when they return home to the VA Medical Center in their home community, be it in Gainesville, Battle Creek, or Fort Harrison.

American Legion contact with senior VA health care officials has concluded that while DOD concentrates their treatment in a small number of facilities, the VA is tasked with providing care at 152 major medical centers and over 1,700 total facilities throughout the 50 states as well as in Puerto Rico, Guam, American Samoa and the Philippines. Yet, VA officials are adamant their budget figures are sufficient to ensure a veteran can and will receive the most cutting edge care wherever they choose to seek treatment in the system.

The American Legion remains concerned about the ability to deliver this cutting edge care to our amputee veterans, as well as the ability of VA to fund and drive top research in areas of medicine related to veteran-centric disorders. There is no reason VA should not be seen at the world's leading source for medical research into veteran injuries such as amputee medicine, PTSD and TBI.

In FY 2011 VA received a budget of \$590 million for medical and prosthetics research. Only because of the efforts of the House and Senate was this budget kept at that level during the FY 2012 and 2013 budgets, due to significant pressure from The American Legion. Even at this level, The American Legion contends this budget must be increased, and closely monitored to ensure the money is reaching the veteran at the local level.

Medical Care Collections Fund (MCCF)

In addition to the aforementioned accounts which are directly appropriated, medical care cost recovery collections are included when formulating the funding for VHA. Over the years, this funding has been contentious because they often included proposals for enrollment fees, increased prescription rates, and other costs billed directly to veterans. The American Legion has always ardently fought against these fees and unsubstantiated increases.

Beyond these first party fees, VHA is authorized to bill health care insurers for nonservice-connected care provided to veterans within the system. Other income collected into this account includes parking fees and enhanced use lease revenue. The American Legion remains concerned that the expiration of authority to continue enhanced use leases will greatly impact not only potential revenue, but also delivery of care in these unique circumstances. We urge Congress to reauthorize the enhanced use lease authority with the greatest amount of flexibility allowable.

In May 2011, the VA Office of Inspector General (OIG) issued a report auditing the collections of third party insurance collections within MCCF. Their audit found that "VHA missed opportunities to increase MCCF by . . . 46 percent." Because of ineffective processes used to identify billable fee claims and systematic controls, it was estimated VHA lost over \$110 million annually. In response to this audit, VHA assured they'd have processes in place to turn around this trend.

Yet even if those reassurances were met, the MCCF collection would not meet the quarterly loss beneath the budgeted amounts. Without those collections, savings must be garnered elsewhere

to meet these shortfalls, thereby causing facility administrators and VISN directors to make difficult choices that ultimately negatively impact veterans through a lack of hiring, delay of purchasing, or other savings methods.

It would be unconscionable to increase this account beyond the previous levels that were not met. To do so without increasing co-payments or collection methods would be counterproductive and mere budget gimmickry. While we recognize the need to include this in the budget, The American Legion cannot be part of a budget that penalizes the veteran for administrative failures.

Appropriations for FY 2015

The remainder of the accounts within VA are being allocated funding for FY 2015. These include funding for general operation of VA Central Office (VACO), the National Cemetery Administration (NCA) and Veteran Benefits Administration (VBA).

Veteran Benefits Administration

National Commander Dellinger testified in September that when speaking to The American Legion National Convention in August 2010, VA Secretary Eric Shinseki declared VA would “break the back of the backlog by 2015” by committing to 98 percent accuracy, with no claim pending longer than 125 days. Over the past four years, VA has gone backward, not forward, in both of these key areas.

According to VA’s own figures, over 56 percent of veterans with disability benefits claims have been waiting longer than 125 days for them to be processed. In contrast, when Secretary Shinseki made his promise, only 37 percent of claims had been pending longer than 125 days. The American Legion has found through its field research the problem varies greatly by regional office. While some regional offices may have an average rate of 76 days per claim, others take 336 days—a troubling inconsistency.

Unfortunately, accuracy is also a problem, according to Legion site visits and field research. VA’s own accuracy metrics place the rate in the 90s. The American Legion’s Regional Office Action Review (ROAR) team typically finds a higher error rate, sometimes up to two thirds of all claims reviewed.

VA is hopeful that the Veterans Benefits Management System (VBMS) will eliminate many of the woes that have led to the backlog, but electronic solutions are not a magic bullet. Without real reform for a culture of work that places higher priority on speed rather than accuracy, VA will continue to struggle, no matter the tools used to process claims.

The American Legion has long argued that VA’s focus on quantity over quality is one of the largest contributing factors to the claims backlog. If VA employees receive the same credit for work, whether it is done properly or improperly, there is little incentive to take the time to process a claim correctly. When a claim is processed in error, a veteran must appeal the decision

to receive benefits, and then wait for an appeals process that may take months and months to resolve and possibly years before delivery of the benefit.

The American Legion believes VA must develop a processing model that puts as much emphasis on accuracy as it does on the raw number of claims completed. America's veterans need to have confidence in the work done by VA.

The VBMS system could allow VA to develop more effective means of processing claims, such as the ability to separate single issues that are ready to rate, starting a flow of relief to veterans while more complex medical issues are considered and decided.

Information Technology

In addition to the VBMS system, the greatest long awaited project is the launch of the joint VA and Department of Defense (DOD) lifetime record – Virtual Lifetime Electronic Record (VLER). The American Legion supports a single unified medical record for military members and veterans³. We have heard from VA that this initiative is still vital and an important piece of their overall solution, but The American Legion remains concerned that DOD has yet to commit to ensuring this project is completed.

During the previous budgeting, VA was unable to provide information on the overall cost of creating such a system, but assured veteran advocates there was enough flexibility to address any costs associated with the project. In the meantime, several releases and announcements have been issued by VA towards the continued evolution of this project, but there is little to demonstrate we're any closer to producing a ready model. The American Legion calls upon Congress to continue to pressure VA and DOD to move towards this system as expeditiously as possible. With the development and launch of VBMS nearly complete, the entire IT focus should center on VLER.

In order to provide the necessary resources for the nationwide rollout of VBMS and still maintain efforts towards development of VLER, The American Legion believes a small increase is justified within IT.

Major and Minor Construction

After two years of study the VA developed the Strategic Capital Investment Planning (SCIP) program. It is a ten-year capital construction plan designed to address VA's most critical infrastructure needs within the Veterans Health Administration, Veterans Benefits Administration, National Cemetery Administration, and Staff Offices.

The SCIP planning process develops data for VA's annual budget requests. These infrastructure budget requests are divided into several VA accounts: Major Construction, Minor Construction, Non-Recurring Maintenance (NRM), Enhanced-Use Leasing, Sharing, and Other Investments and Disposal. The VA estimated costs were between \$53 and \$65 billion.

³ Resolution 42-2012 "Virtual Lifetime Electronic Record"

The American Legion is very concerned about the lack of funding in the Major and Minor Construction accounts. Based on VA's SCIP plan, Congress underfunded these accounts. Clearly, if this underfunding continues VA will never fix its *identified* deficiencies within its ten-year plan. Indeed, at current rates, it will take VA almost sixty years to address these current deficiencies.

The American Legion also understands there is a discussion to refer to SCIP in the future as a "planning document" rather than an actual capital investment plan. Under this proposal, VA will still address the deficiencies identified by the SCIP process for future funding requests but rather than having an annual appropriation, SCIP will be extended to a five year appropriation, similar to the appropriation process used by the Department of Defense as its construction model. Such a plan will have huge implications on VA's ability to prioritize or make changes as to design or project specifications of its construction projects. The American Legion is against this five year appropriation model and recommends Congress continue funding VA's construction needs on an annual appropriations basis.

The American Legion recommends Congress adopt the 10-year action plan created by the SCIP process. Congress must appropriate sufficient funds to pay for needed VA construction projects and stop underfunding these accounts. In FY 2015 Congress must provide increased funding to those accounts to ensure the VA-identified construction deficiencies are properly funded and these needed projects can be completed in a timely fashion.

State Veteran Home Construction Grants

Perhaps no program facilitated by the VA has been as impacted by the decrease in government spending than the State Veteran Home Construction Grant program. This program is essential in providing services to a significant number of veterans throughout the country at a fraction of the daily costs of similar care in private or VA facilities. As the economy rebounds and states are pivoting towards resuming essential services, taking advantage of depressed construction costs, and meeting the needs of an aging veteran population, greater use of this grant program will continue. As our baby boomer population continues to transition into retirement, many more of these veterans are retiring to state veteran homes due to their excellent reputation for care and cost. The popularity of these retirement options will cause any surplus of space to become consumed. The American Legion encourages Congress to increase the funding level of this program.

National Cemetery Administration (NCA)

No aspect of the VA is as critically acclaimed as the National Cemetery Administration (NCA). In the 2010 American Customer Satisfaction Index, the NCA achieved the highest ranking of any public or private organization. In addition to meeting this customer service level, the NCA remains the highest employer of veterans within the federal government and remains the model for contracting with veteran owned businesses.

While NCA met their goal of having 90 percent of veterans served within 75 miles of their home, their aggressive strategy to improve upon this in the coming five years will necessitate funding

increases for new construction. Congress must provide sufficient major construction appropriations to permit NCA to accomplish this goal and open five new cemeteries in the coming five years. Moreover, funding must remain to continue to expand existing cemetery facilities as the need arises.

While the costs of fuel, water, and contracts have risen, the NCA operations budget has remained nearly flat for the past two budgets. Unfortunately recent audits have shown cracks beginning to appear. Due predominantly to poor contract oversight, several cemeteries inadvertently misidentified burial locations. Although only one or two were willful violations of NCA protocols, the findings demonstrate a system about ready to burst.

To meet the increased costs of fuel, equipment, and other resources as well as ever-increasing contract costs, The American Legion believes a small increase is necessary. In addition, we urge Congress to adequately fund the construction program to meet the burial needs of our nation's veterans.

State Cemetery Grant Program

The NCA administers a program of grants to states to assist them in establishing or improving state-operated veterans' cemeteries through VA's State Cemetery Grants Program (SCGP). Established in 1978, this program funds nearly 100% of the costs to establish a new cemetery, or expand existing facilities. For the past two budgets this program has been budgeted \$46 million to accomplish this mission.

New authority granted to VA funds Operation and Maintenance Projects at state veterans cemeteries to assist states in achieving the national shrine standards VA achieves within national cemeteries. Specifically, the new operation and maintenance grants have been targeted to help states meet VA's national shrine standards with respect to cleanliness, height and alignment of headstones and markers, leveling of gravesites, and turf conditions. In addition, this law allowed VA to provide funding for the delivery of grants to tribal governments for native American veterans. Yet we have not seen the allocation of funding increased to not only meet the existing needs under the construction and expansion level, but also the needs from operation and maintenance and tribal nation grants. Moreover, as these cemeteries age, the \$5 million limitation must be revoked to allow for better management of resources within the projects.

Additional concerns of The American Legion

Turn Military Experience Into Careers

Servicemembers and veterans receive some of the finest technical and professional training in the world. Many have experience in health care, electronics, computers, engineering, drafting, air-traffic control, nuclear energy, mechanics, carpentry, and other fields. Many of these military acquired skills require some type of license or certificate to qualify for civilian jobs. In too many cases, this license or certificate requires schooling already completed through military training programs. The American Legion is fighting for a major overhaul of the licensure and certification policies as they relate to military job skills, on the national and state levels alike. As

demand for qualified workers in a diverse range of occupations continues to grow, veterans offer skills, training, dedication and discipline that translate well into specialized fields and trades.

The American Legion is working with credentialing and licensing agencies to help veterans receive credit for their experiences, maximize their abilities and move quickly into productive careers. While the VOW to Hire Heroes Act and the Veterans Skills to Jobs Act of 2012 are important steps that The American Legion strongly supported and helped shape, they are only a good start in a long march to improve career opportunities for those who have served in uniform.

Ensuring Quality Care to Rural Veterans

The American Legion's System Worth Saving task force travels the country to evaluate VA medical facilities and ensure they are meeting the needs of veterans. From November 2013 to May 2014, the task force has been conducting site visits to VA medical facilities and town hall meetings to receive feedback from local veterans who utilize VA to receive their health care.

The Task Force, in its 10th program year, is focusing on VA's accomplishments and progress over the past decade, current issues and concerns, and VA's five-year strategic plan for several program areas. These areas of focus are VA's budget, staffing, enrollment/outreach, hospital programs (e.g. mental health, intensive care unit (ICU), long-term services and support, homelessness programs) information technology and construction programs.

During each site visit, a town hall meeting is hosted by an American Legion Post. The town hall meetings have consistently illustrated that veterans are worried VA has turned a deaf ear to their concerns and is intentionally ignoring their complaints. We have seen firsthand where VA has closed intensive care departments, downgrading emergency departments to urgent care clinics, or has proposed to closed or reconfiguring hospital services under the guise of "realigning services closer to where veterans live", such as the reconfiguration proposal at the VA Black Hills Health Care System, which has served the veterans of Hot Springs, South, Dakota for over 100 years.

The American Legion urge Congress to evaluate VA's plan in rural areas and to stop VA from closing hospitals and community based outpatient clinics unless existing requisite community services are meet or exceed that VA currently provides to veterans.

Ease the Military-to-Civilian Transition

Unfortunately, this transition has been hampered by poor communication and coordination between DOD and VA. Efforts have been made to correct the process, which is improving, but too many veterans still slip through the cracks and fail to receive the benefits they earned and deserve or the support they need to restart their lives. Transition Assistance Programs (TAP) are now mandatory across all branches of military service, a change The American Legion commends. While TAP will require much fine tuning to accurately deliver what veterans need, implementing the program universally already is a major improvement.

Current DOD policy requires new inductees to enroll in the eBenefits portal, which will help all future generations of veterans. While VA and DOD still try to iron out differences in electronic data systems necessary to make the Virtual Lifetime Electronic Record (VLER) effective, the eBenefits portal holds great promise.

Fast-tracking the VLER program to ensure seamless transfer of medical records must be a top priority, and necessary funds must be allocated to fulfill it. The delays that have plagued this program are inexcusable. The American Legion urges Congress and the administration to work together to put the program back on track.

While The American Legion is encouraged by the progress made in TAP, the program is still new and will require dedicated oversight and attention to ensure it is meeting the needs of the servicemembers it is designed to help.

Conclusion

In conclusion, The American Legion is optimistic the President has proposed a budget that addresses many of the needs that the almost two million service members who are returning after deployments in support of the Global War on Terror will soon need. We're hopeful savings generated through downsizing of the military are leveraged against the need of thousands of servicemembers who are or soon will be discharged to create the savings. However, The American Legion has seen in previous years, these are not used to provide the care and benefits afforded to our nation's veterans. Too often while veteran advocates celebrate dramatically increased budgets, the veteran patient, claimant, or widow is left wondering where the money went.

Our nation's veterans deserve adequate and responsible funding to the fullest extent possible. After over a decade of service, our newest era of veterans will now join the ranks of generations of their brothers and sisters who served in prior wars and conflicts and all are owed a great debt.

The American Legion looks forward to working with the Committee, as well as VA, to find solutions that work for America's veterans. For additional information regarding this testimony, please contact Mr. Louis J. Celli Jr. at The American Legion's Legislative Division, (202) 861-2700 or LCelli@legion.org.